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NATIONAL DEFENSE UNIVERSITY
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**ILLICIT TRAFFICKING IN THE WESTERN HEMISPHERE: DEVELOPING
AN OPERATIONAL APPROACH TO DEFEAT SMUGGLING WITHIN THE
REGION**

By

Jeffrey L. Hammond

LtCol, U.S. Marine Corps

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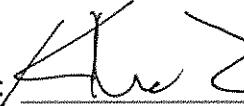
Lieutenant Colonel, U.S. Marine Corps

A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning and Strategy. The contents of this paper reflect my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.

This paper is entirely my own work except as documented in footnotes.

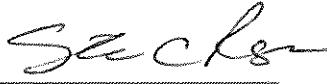
Signature: 
Jeffrey L. Hammond, LtCol, USMC
31 March 2017

Thesis Advisor:

Signature: 
Keith D. Dickson Ph.D.
Professor of Military Studies JAWS

Approved by:

Signature: 
Kevin Therrien, Col, USAF
Committee Member

Signature: 
Stephen C. Rogers, COL, USA,
Director, Joint Advanced
Warfighting School

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Abstract

The most significant threat to U.S. national security within the USSOUTHCOM area of responsibility is the increasingly effective illicit trafficking activities of transnational criminal organizations. The destabilizing effect of this phenomenon influences the region, as well as global security. Transnational organized crime signifies a substantial, complex, and asymmetric threat to national security. Transregional organized crime networks conducting illicit trafficking have become a phenomenon that requires a unity of effort and unity of action in order to challenge and overcome them. Conservative estimates place the cost of illicit trafficking at over 10 percent of global Gross Domestic Product (GDP). Illicit trafficking is pervasive and impacts everyone in the U.S., regardless of financial status or station, every day in overt, as well as very discreet ways. From a strategic perspective, illicit trafficking is a destabilizing activity threatening social and political stability. The threat is currently so pervasive that solving it is impossible without significant strategic reframing. A design approach will offer a better understanding of the functions and systems used for illicit trafficking. An operational design will be useful for developing a plan for discreet targeting that will provide potential operational approaches to create boundaries to smuggling.

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Acknowledgments

The Marine Corps assignments informed me my next assignment would be as a planner for Admiral Tidd at United States Southern Command. In twenty-three years of service, I have not been deployed to the Western Hemisphere. In preparation for my future assignment, I reviewed testimony given by Admiral Tidd in March 2016. During this testimony, he stated unequivocally that the biggest threat to national security within USSOUTHCOM's area is illicit trafficking and the transnational organized criminal networks that support them. This thesis is the result of my research into the subject.

Many people shared their thoughts and time with me in the developing, researching, and writing of this thesis. I am grateful for their support, patience, and time. Maj Marada Phillips USMC, Lt Col Paul Morris USAF, COL Gregory Scott USA, and Mr. Steven Wetzel were very helpful by giving me an understanding of current planning and operational efforts at USSOUTHCOM. I would like to thank my classmates Lt Col Ryan Haden USAF, Mr. John Wilkinson DIA, and Mr. Charles Benson DIA, for assisting me with technical details and sharing their experiences. I appreciate Dr. Alex Crowther's coaching and the introduction to the Center for Complex Operations. The assistance and encouragement from my mentors, retired Marine Corps Majors Paul Stokes and Henry R. Salmans III has been and continues to be invaluable.

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Introduction

According to the 2016 United States Southern Command (USSOUTHCOM) Posture Statement, the most significant threat to security in the USSOUTHCOM area of responsibility (AOR) is the increasingly effective illicit trafficking activities of transnational criminal organizations. The destabilizing effect of these networks influences the region as well as global security. Transnational organized crime signifies a substantial, complex, and asymmetric threat to national security. Transnational organized crime networks conducting illicit trafficking have become a phenomenon that requires a unity of effort and unity of action that can challenge and overcome these networks. Conservative estimates place the cost of illicit trafficking at over 10 percent of global Gross Domestic Product (GDP)¹. Within Latin America, similar estimates are as high as 3.5% of GDP and over \$350 billion.² Illicit trafficking has become a diverse trading and distribution network that includes drugs, small arms, nuclear material, slaves, intellectual property, cash, human organs, endangered animals, art and artifacts, and even garbage. What is most disturbing is the increasing difficulty in sorting out the difference between the proprietors who manufacture, transport, and market goods and services legally and those who are part of the illicit network. The means and methods of legal and illegal commerce are nearly identical.

¹ Michael Miklaucic and Jacqueline Brewer, eds., *Convergence* (Washington D.C.: National Defense University Press, 2013), 57.

² Laura Jaitman, ed. “The Costs of Crime and Violence: New Evidence and Insights in Latin America and the Caribbean” (New York: Inter-American Development Bank, 2017), xii.

As USSOUTHCOM's posture statement indicates, illicit trafficking touches people everywhere, regardless of financial status or station, every day in overt as well as very discreet ways. From a strategic perspective, illicit trafficking is a destabilizing activity threatening social and political stability. The threat is currently so pervasive that solving it is impossible without significant strategic reframing. A design approach will offer a better understanding of the functions and systems used for illicit trafficking. An operational design will be useful for developing a plan for discreet targeting that will provide potential operational approaches to create boundaries to smuggling. The design methodology will support defining and framing the problem to provide a working model of illicit trafficking functions to illustrate vulnerabilities. The operational design that emerges from this design process will identify options to attack the vulnerabilities of the system.³ The potential attack vectors identified in the operational design will establish the ways for all geographical component commands to initiate, enable, or support a unity of effort and a unity of action via U.S. government action or through intergovernmental coordination.

A review of the existing literature has pointed to an improper focus on the individual types of smuggling, instead of seeking to define mechanisms that enable the transport and distribution of illicit goods and services. Current efforts to synchronize interagency and partner nation efforts focus primarily on the tactical level. An abundance of research exists highlighting the efforts of individual organizations to combat specific illegal

³ Kurt W. Tidd, Admiral, USN, *Southern Command Posture Statement before the 114th Congress Senate Armed Services Committee* (Washington, D.C.: GPO, 2016), 1.

activities, but these all reveal a lack of overarching understanding. The overall challenge presented in much of the research so far points to illicit trafficking originating from and transiting through failing and failed states, or states that no longer own the monopoly of violence within their borders.⁴ A significant portion of the materials reviewed shows an overwhelming opinion that illicit trade is not something that can be defeated or even contained, and that the best solution is clearly understanding that there are no solutions, only mitigations, compromises, and negotiations.⁵ An analysis of the literature concludes with an articulation of an operational design and approach to defeat illicit trafficking. USSOUTHCOM Theater Campaign Plan (TCP) could integrate the operational design presented to create potential targeting options against the number one threat in the AOR. A model of the overarching concept of illicit trafficking will support both unity of effort and unity of action within the whole of government approach by providing attack vectors and indicators of effectiveness for the counter-trafficking efforts. Admiral Tidd's posture statement of the efforts of the Joint Interagency Task Force South (JIATFS) focuses on supporting drug trafficking interdictions.⁶ This is a relic of the war on drugs and represents only one part of a global activity that is largely unknown and therefore only marginally addressed. There is no doubt that other types of trafficking are similarly unhindered by the interdiction efforts.

⁴ Center for Naval Analysis, *Criminal Organizations and Illicit Trafficking in Guatemala's Border Communities* (Washington, D.C., Center for Naval Analysis: 2011), 35.

⁵ Robert J. Kelly, Jess Maghan, and Joseph D. Serio, *Illicit Trafficking: A Reference Handbook* (Santa Barbara: ABC-CLIO, Inc., 2005), 26.

⁶ Tidd, Admiral, Southern Command Posture Statement, 23.

Chapter 1: Understanding the Problem

Section 1: Defining Trafficking

Illicit trafficking is commerce by other than legal means; moving goods and services locally, regionally, and globally is not a new phenomenon and has been a part of economic activity since earliest recorded times.⁷ However, the confluence of rapid global transportation, significant advances in information technology and communications, and the consistent lowering of border inspection and management capabilities has enabled determined individuals and organizations (both legitimate and illicit) to get anything, anywhere, anytime. Smuggling has become the shadow infrastructure that supports, corrupts, and eventually destroys legitimate business. What is being trafficked is sometimes not as important as what can be trafficked, depending on demand, profit, and risk. Transnational organized criminal (TOC) networks conduct such illicit trafficking. The illicit networks have the ability to move anything from counterfeit children's toys to nuclear weapons, and most significantly, everything travels via the same routes, by the same means, and by the same individuals -- only the end of the transit chain and the ultimate consumer is different. Illicit goods now travel with, inside, in lieu of, and in support of licit goods while globalization has exponentially increased the supply chain efficiency, and therefore, the global commerce's influence.⁸

⁷ Moises Naim, *Illicit* (New York: Anchor Books, 2005), 10.

⁸ Moises Naim, "Five Wars of Globalization," *Foreign Policy*, November, 2009, 5-14.

Illicit trafficking, as a complex enabling activity, is changing the global security environment as it becomes more difficult to separate legitimate from illegitimate cross border transactions. The 2015 *National Security Strategy* (NSS) lists security, prosperity, values, and international order as vital national interests of the United States. Illicit trafficking, both directly and indirectly, threatens each of those interests. The NSS mentions traffickers as a part of a number of actors that are either directly challenging or indirectly undermining the legitimacy of the modern state.⁹ Supporting the 2015 NSS is the 2011 *Strategy to Combat Transnational Organized Crime (SCTOC)*. Its unifying principle is “to build, balance, and integrate the tools of American power to combat transnational organized crime and related threats to national security and to urge our foreign partners to do the same.”¹⁰

Broken out in five major policy objectives, the SCTOC provides a loose framework addressing the spectrum of illicit trafficking. At the strategic level, the objectives provide a framework that can be leveraged by government agencies to enable actions and intermediate objectives to achieve the overall end state of reducing transnational organized crime to a manageable public safety problem in the U.S. and strategic partners. Convergence, defined as the junction where terrorism and crime intersects and become mutually supportive, permeates the document. Unfortunately, the impression given is that without convergence, transnational organized crime and illicit trafficking are not serious

⁹ U.S. President, *National Security Strategy* (Washington, D.C.: Government Printing Office, 2015), 8.

¹⁰ U.S. President, *Strategy to Combat Transnational Organized Crime - Addressing Converging Threats to National Security* (Washington D.C.: Government Printing Office, 2011), 4.

threats to national security. The objectives listed are in order of granularity. The overall strategy, encapsulated in the first and second objectives, allows the first condition to be achieved. The first objective of the strategy establishes that there is a violent, influential, and developing threat to both the citizens of the U.S. and partner nations:¹¹

1. Protect Americans and our partners from the harm, violence, and exploitation of transnational criminal networks.

Objectives two and three provide guidance on where resources can be applied to achieve the desired end state. By focusing on liberal values like government transparency, integrity in governance, and transnational economic markets, the strategy provides intergovernmental agencies guidance while outlining intersection points that the interagency efforts need to work out. Department of Treasury (DoT), national intelligence resources, and the Department of Justice (DoJ) are obvious stakeholders in these objectives. Additionally, the Department of State (DoS) mentoring efforts become critical to international partners internalizing the values of transparency and anti-corruption efforts:

2. Help partner countries strengthen governance and transparency, break the corruptive power of transnational criminal networks, and sever state-crime alliances.
3. Break the economic power of transnational criminal networks and protect strategic markets and the U.S. financial system from TOC penetration and abuse.

¹¹ U.S. President, *SCTOC*, 4.

Objectives four and five fall more directly in the realm of the Department of Defense and offer latitude and opportunity to leverage ongoing, seemingly unrelated actions towards the defeat of transnational organized criminals and illicit trafficking. These objectives do not articulate a separate action, but rather guidance that could be integrated into each Geographic Combatant Commander (GCC) Theater Campaign Plan (TCP) at the Phase 0, steady state operations level:

4. Defeat transnational criminal networks that pose the greatest threat to national security by targeting their infrastructures, depriving them of their enabling means, and preventing the criminal facilitation of terrorist activities.
5. Build international consensus, multilateral cooperation, and public-private partnerships to defeat transnational organized crime.¹²

Viewed as a specific recipe for defeating transnational organized crime, threat networks, and illicit trafficking, these objectives fall short of a true strategy needed to garner true intergovernmental synchronized efforts. The SCTOC provides the ends, but falls short of explaining the means necessary to achieve the end state. Likewise, a true problem statement that succinctly explains why transnational organized crime is a threat is lacking. The entire document is focused on the convergence concept, thereby leveraging the reality of how serious of a threat illicit networks truly are. Through

¹² U.S. President, *SCTOC*, 5.

analysis many steady state TCP opportunities emerges. By building on existing efforts, the synergistic application of resources already committed to theater security objectives, and a potential operational approach across the whole of government, the SCTOC is an enabling vice restrictive document.

Section 2: Key Statistics

Comprehensive and accurate statistics on the phenomenon of global illicit trafficking have been difficult to find. Most of the data associated with trafficking obviously only deal with what was captured, vice what the business model supports. For example, a study in 2014 found that efforts to stymie counterfeit and illicitly gained cash only intercepted \$17 million of an estimated \$39 billion flow an imperceptible .0004% impact. The problem is the perception presented when news reports of a \$17 million seizure are published. Taken in isolation, that seizure is impressive and something that becomes a template for future operations and evolutions. In reality, entrepreneurial executives who work in illicit trafficking networks and illegal commodities are more than willing to sacrifice a \$17 million shipment to ensure the \$39 billion annual revenue continues.¹³ Contextually, most of the seizures of illicit trafficking are of little to no impact on the overall bottom line of the trafficker's revenue and can be written off as normal business expenses. All estimates provided have to be contextually appreciated as gross at best. Complicating any accurate estimate is that there is no central government agency

¹³ Richard Stana, *Moving Illegal Proceed* (Washington D.C.: Government Accounting Office, 2011), 4.

responsible for trafficking data. The one thing that is irrefutable in all studies of trafficking is that this phenomenon is getting exponentially worse every year. Globalization, highlighted by technological advances has led to decreases in cross border restrictions, and fluid international banking allows illicit trafficking to mimic legitimate trade patterns. The blurring between legal and illegal creates difficulties in estimating the costs of illicit trafficking. Moreover, the clandestine nature of illicit trafficking leads to estimates that are based on poor methods, generous assumptions, and biased, incomplete or inaccurate data. Compounding the difficulties are politicians who utilize (and at times sensationalize) statistics to further any number of personal, political, or organizational agendas. Unfortunately, the statistics often become the focus of the discussion, while the exponential growth and influence of trafficking by criminal organizations quietly continues and gains strength and influence.¹⁴

Estimating the costs is exceedingly difficult and only rough estimates are available. Although estimates, the figures presented here use an overly conservative methodology. Nevertheless, the numbers are still staggering. Beyond the direct costs of illicit trafficking are the indirect costs that are often overlooked. Impacts on society, long term unrealized expenses, and costs to seemingly unrelated categories are attempted to be articulated via the indirect costs calculations. The 2002 report of United Nations Office on Drugs and Crime (UNODC), based on a systematic study of worldwide drug abuse, estimated the

¹⁴Miklauic and Brewer, *Convergence*, 40.

global economic costs of illegal drugs at \$515 billion.¹⁵ Drugs are a quantifiable commodity and support analysis. More complex of a problem is counterfeiting.

Counterfeiting is a broad category and includes art, luggage, consumables, and medications that are all being manufactured outside of patent restrictions and quality assurance requirements and are targeted for distribution to developing countries, where there is not only a high demand (especially for legitimate medication), but also a weak or corrupt customs enforcement apparatus. The indirect costs include the theft of intellectual property resulting in a long-term loss to a competitive and inventor protected market.

Why would anyone waste resources in the research and developmental costs when counterfeiting and intellectual theft will detract from any realized return on the investment? A rough estimate of the total economic value of counterfeiting is estimated at \$213 billion.¹⁶

Globalization facilitates the movement of people across borders and an ease of movement between regions. This ease of movement has opened avenues of growing aspects of illicit trafficking. Human trafficking is one of the more heinous and socially repulsive of the categories of illicit trafficking and represents a kind of convergence between different forms of illicit trafficking where traffickers of one commodity can utilize resources to support additional and seemingly incompatible other commodity

¹⁵ Ibid, 65.

¹⁶ Ibid, 67.

smuggling.¹⁷ Human traffickers go to great lengths to distance their actions from the concepts of slavery using terms like debt bondage, bonded labor, attached labor, forced labor, indentured servitude and human trafficking. However, by any other name, human trafficking is slavery and the more accurate depictions of the use of humans trafficked include prostitution, pornography, forced marriages, indentured labor, and child soldiers. Slaves are disturbingly cheap today in comparison to historical context. For instance, in 1850, the average American slave cost approximately \$40,000 to own. Today, because of the unchecked rise in illicit trafficking and the combined effect cheap labor has on all aspects of transnational organized crime, a slave can be purchased for a worldwide average cost of \$90.¹⁸

The availability of an inexpensive work force is synergistic to other forms of transnational organized crime. Drug cartels in Mexico have human smuggling in support of their drug-trafficking operations to launch a supportive and financially beneficial human trafficking and prostitution enterprise.¹⁹ The effect is disastrous and unfortunately has resulted in transnational organized criminals diversifying their business and creating additional profit lines. Human trafficking is lucrative because of the low-risk. While publicly recognized as horrifying, there exists little international legal framework to

¹⁷ Shiro Okubo and Louise Shelley, *Human Security, Transnational Crime and Human Trafficking* (New York: Routledge, 2011), 25.

¹⁸ Kevin Bales, *Ending Slavery: How We Free Today's Slaves* (London: University of California Press, Ltd., 2007), 243.

¹⁹ Miklaucic and Brewer, *Convergence*, 70.

prevent or discourage it. As a result, estimates of human slavery range between 25 and 45 million with over 60,000 slaves in the U.S. alone.²⁰ Calculating the total cost due to human trafficking incorporates the direct, as well as indirect effects, bringing the estimate closer to \$150 billion annually.²¹

Something as seemingly innocuous as illegal tobacco presents a series of significant threats. The initial direct cost represented by the loss of tax revenue on tobacco sales and customs into state revenue flow is significant. Government losses estimated from statistics on the number of illicit tobacco products on the market represent a direct impact of \$31 billion. The indirect costs are numerous and include social impacts, such as the erosion of the social fabric and the criminalization of society. Unfortunately, indirect costs are not easy to measure. Not unique to the illicit tobacco market, the indirect societal costs associated with trafficking are astronomical. The small slights against a just, fair, and equitable society equate to a death by a thousand cuts. To traffic illicit tobacco, every person in the supply chain, distribution network, and consumer chain has tacitly to tolerate or actively participate in illegal activity. This translates to scores of individuals facilitating criminal activity for the undocumented movement of illegal tobacco. The phenomenon of synergy within illicit trafficking creates a network of criminals that can be leveraged not just for tobacco, but for any other illicitly trafficked product. A similar situation exists with counterfeit watches and purses. The people who

²⁰ Bales, *Ending Slavery*, 245.

²¹ Peter Andreas and Kelly M. Greenhill, eds., *Sex, Drugs, and Body Counts: The Politics of Numbers in Global Crime and Conflict* (New York: Cornell University Press, 2010), 35.

purchase counterfeit goods to save a few dollars over the authentic item probably do not realize they are supporting child prostitution, illegal drug distribution, or governmental corruption. Additionally, the cost of health care related to illicit tobacco product use must be incorporated. The cost calculations are difficult, but a conservative estimate incorporating indirect costs means the estimate grows to nearly \$90 billion, a nearly three fold cost to society above and beyond the immediate loss of tax and customs revenue.²²

Environmental crimes can also fall under trafficking and are insidious and difficult to calculate as the effects can only be amortized over many years yet to come. Transporting waste, hazardous or not, across porous borders allows the country of origin to avoid the long-term environmental costs associated with waste generation and disposal. Combining direct and indirect costs brings the estimate to nearly a trillion dollars in loss or damage. Environmental costs are staggering, as they must include the long-term damage, clean-up costs, and lost opportunities of the contaminated areas.²³

Incorporating both direct and indirect cost estimates for just this small sample size results in an effect on the order of more than \$1.5 trillion per year. That staggering number only accounts for the costs of the actual commodities exchanging, the indirect and direct costs of human trafficking, illegal human organ sales, rare animal sales, and an incredibly vast illicit arms trade are not even incorporated here. Although, this number does not claim precision and relies on a number of assumptions, it is used here as a

²² Miklaucic and Brewer, *Convergence*, 45.

²³ Andreas and Greenhill, *Sex, Drugs, and Body Counts*, 50.

conservative estimate of the true impact of illicit trade on the global economy. The total market size of just five illegal markets used in the application of the model is a bit less than \$300 billion. This figure is five times less than the estimated impacts, indicating that, indeed, the realized effect of illicit trafficking networks expands well beyond the initial cost estimate of each market. Even more so, the parasitic effect of illicit trade comingling with legitimate markets blurs the clear understanding of what constitutes legal and open trade as the illicit markets involve more participants. People can make money, not by running illicit markets, but by skimming profits and taking payments from aiding the movement of illicit goods and services. Illicit commodity exchanges are less important to study and attack than the means and modes of the system of moving goods and services from supplier to buyer.²⁴ The threat to established governments is ubiquitous, representing a continued atrophy of values and interests affecting the strategic culture and national security. Nor is there any single agency responsible for the interdiction, monitoring, and defeat of trafficking networks. Numerous agencies overlap, but significant gaps exist and many networks are barely addressed.

Currently, the U.S. government has no comprehensive strategy to address the threat of illicit trafficking by transnational organized criminal networks. Without a nationally focused strategy, the elements of national power have no chance of synchronizing efforts to counter the growing and increasingly costly effects of trafficking. USSOUTHCOM's area of responsibility (AOR) consists of the Caribbean, South America, and Central

²⁴ Miklaucic and Brewer, *Convergence*, 37-62.

America. These areas are well known for proliferation of illicit trafficking and with the plethora of weak governmental institutions in the region, the flow of commodities illegally originating from or transiting through USSOUTHCOM's AOR is significant. For many years, USSOUTHCOM's operational approach to combating trafficking has been singularly focused on drug interdiction efforts. Drugs are a large portion of the trafficking in the AOR. However, not much effort has been placed into action beyond at sea and border interdiction efforts. Recently, though, Admiral Tidd has refocused his staff on developing a strategy to combat the threat networks within the AOR. The challenge for USSOUTHCOM now is to make up the years of progress the criminal organizations have capitalized on plying skills towards building, reinforcing, and exploiting a shadow commerce infrastructure that can move any commodity quickly, largely undetected from anywhere in the globe to anywhere within the U.S.²⁵

²⁵ United States Southern Command J5 Plans, "USSOUTHCOM Operational Design" (Norfolk, VA: 14 February, 2017), 11.

Chapter 2: Operational Design

Section 1: Defining Design

The primary design methodology used here derives from the 2007 Joint Planner's Handbook for Operational Design Manual (ODM). The ODM requires an understanding of the current state, and a projection of a realistic future state, in order to determine a clear problem statement and develop an operational design consisting of lines of operation and effort directed toward an end state through a number of named objectives. The design process will derive three levels of trafficking: local, regional, and global, which interact in a number of ways and must be addressed comprehensively. Linking the tactical-local actions with global-strategic direction represents the operational art, which uses design to make these linkages.¹ The operational design of the three levels identifies the three lines of effort. The design process allows a planner to focus on the mechanism and phenomenon to discover potential commonalities that will lead to an operational design that will in turn reveal defeat mechanisms to employ along the lines of effort.

Operational design is the ability to appreciate the present condition of a complex system, visualize a more desirable future for the system, and then develop an operational approach that navigates the obstacles between the currently unfavorable and the future desired state of the system. Commanders utilize the elements of operational design to develop the operational approach. The operational approach, defined in doctrine also as

¹ U.S. Joint Chiefs of Staff, *Joint Publication 5-0, Joint Operational Planning* (Washington, D.C: Joint Chiefs of Staff, August 11, 2017), III 1-46.

the commander's intent, outlines the efforts needed to achieve the end states. The thirteen elements of operational design include: termination, military end state, objective, effects, center of gravity, decisive point, lines of operation and lines of effort, direct and indirect approach, anticipation, operational reach, culmination, arranging operations, force and functions.² Operational design provides the outline for better development of an overall plan to navigate the difference between current and future states.³ The ability of the commander to accurately visualize and design an approach to achieving the end state is the operational art and is the means by which a commander and staff use a combination of imagination and intellect to synchronize the elements of operational design to support development of complete and comprehensive courses of action to achieve the mission.⁴ The interaction of intelligence and creativity allows a visualization of the approach to solve the problem that lies within the current state and is preventing the desired state from being achieved. Building the approach to solve the problem requires linking resources in time, space, and purpose to create a holistic approach transcending a linear method to the solution. There are multiple steps required to build an effective design.

The operational design process, as described here, will be used to develop an operational approach for USSOUTHCOM to link the current state with the future more desired state as articulated in national strategy and policy documents. The objective is to

² U.S. Joint Chiefs of Staff, *Joint Publication 3-0, Joint Operations* (Washington D.C.: Joint Chiefs of Staff, 17 January, 2017), III-1.

³ Keith D. Dickson, "Operational Design: A Methodology for Planners" (Norfolk, VA: Joint Forces Staff College, 30 Nov 2016), 2.

⁴ Joint Chiefs, *Joint Publication 3-0*, III-4.

design a holistic approach that addresses concerns, challenges, resources requirements, and opportunities at all levels the commander can influence.

Section 2: Understanding the Environment

New capabilities, stemming from the extensive and rapid distribution of communications technology, enabled criminal actors to work together at an unprecedented speed, scope, and scale.⁵ The market, used here to represent the overall concept of the exchange of goods and services between nations, companies, and individuals, is highly resistant to regulation and control. States have the power to establish specific controls, but these measures are dependent on the willingness of the markets to comply voluntarily. The market, in aggregate, is no different from any other system. The problem is not with the system, it is with the individuals and organizations that have comingled, almost imperceptibly, illicit trade within legal trade. Thanks to globalization, it is now nearly impossible to segregate good from bad commerce within the market, as goods and services travel from supplier to buyer. Tighter governmental budgets, decentralization, deregulation, and a more open atmosphere for international trade and investment all make the task of fighting global criminals more difficult.⁶ As such, much of the effort to curb illicit trade has not been effective due in no small part to

⁵ U.S. Secretary of Defense, *Department of Defense Counternarcotics and Global Threat Strategy* (Washington D.C.: Office of the Secretary of Defense, 2011), 11.

⁶ Naim, "Five Wars of Globalization," 1-5.

the lack of any ability to separate legal from illegal commerce within the market.⁷ It is nearly impossible to halt illegal trafficking without an extensive and expensive intelligence network and broad coordination with multi-national and intergovernmental cooperation to intercept illicit goods in transit.

Regardless, an understanding of the market from local to regional to global and then back to local is necessary to understand this phenomenon of integrated legal and illicit networks to identify potential areas to target to disrupt the illicit portion of the market. Because global trade has grown so significantly in the last twenty years, the traditional means of control will only yield meager results. Nevertheless, it is important to understand that the market cannot be regulated or controlled to separate legal from illicit trafficking networks. A new approach must be found in the design process. While global trade has indeed brought the benefits of increasing economic development and the enablement of trade has generated positive results, the need to understand, appreciate, and most importantly, expose illicit traffic flows has been neglected.⁸ The design presented here breaks out three levels to understand illicit trafficking and transnational criminal networks. These levels are defined quite simply as local, regional, and global. Each level has its own actors, advocates, adversaries, rules, and a degree of governmental involvement, agencies, profit potential and legitimate, as well as illegitimate activity.

⁷ James Mittelmann, *Hyper-Conflict Globalization and Insecurity* (Stanford, CA: Stanford University Press, 2010), 52.

⁸ Hilary Matfess and Michael Miklaucic, eds., *Beyond Convergence* (Washington D.C.: National Defense University Press, 2016), 263.

The design process moves away from attempting to deal with illicit trafficking as either a global problem or a regional problem. Using legal market models as a guide, it becomes clear that any approach to understanding illicit trafficking networks requires a three tiered approach to understand how local, regional, and global structures and process function and how and why and where they are interrelated and interact with each other. At the critical nodes, key activities occur that can be discerned as legal or illegal activity. Trafficking must be acknowledged as a worldwide phenomenon, and thus, a worldview must be taken in the design to understanding the dynamics of the flow of illicit goods. These are the areas that the design will seek to identify.

Section 3: Local

At the lowest level, trafficking is represented at the village, town, or city level and presents a dynamic environment that involves criminals, police, government officials, civilians, and military. While concerning at the aggregate and global level, the distribution of power at the local level in relation to licit, as well as illicit traffic, must be understood first. At the local level, individual actions have the most significant and visible influence on illicit trafficking. However, this is also where interdiction has the least influence on the networks themselves. The networks are largely unaffected at the local level. Also and unfortunately, the local level experiences the direct effects of violence, addiction, corruption, intimidation, and suffering. At the regional and global level, the deleterious effects of trafficking are largely understood only in the abstract,

inversely only at the local level can the direct costs be observed. Usually, the fewest amount of resources are applied at the local level.⁹

Local government authorities can easily be overwhelmed in their efforts to curb trafficking. The authorities at the local level include city police, government officials, educators, drug rehabilitation centers, and emergency service providers. The police that are tasked with reducing the smuggling routes, drug crops, and violence are either significantly outmatched by illicit trafficking networks or are actually being paid a salary by the criminal enterprise.¹⁰ In most countries within the USSOUTHCOM AOR, local authorities are underfunded, undermanned, and overburdened at best. At worst, the seeds of corruption guide and direct the actions of local authorities, and are often facilitators in the generation, transport, and distribution of illicit goods, services, and revenue.

⁹ Douglas Farah, "Central America's Gangs are all Grown Up and More Dangerous than Ever," *Foreign Policy* (January, 2016) 1-5.

¹⁰ Naim, "Five Wars of Globalization", 4.

Section 4: Regional

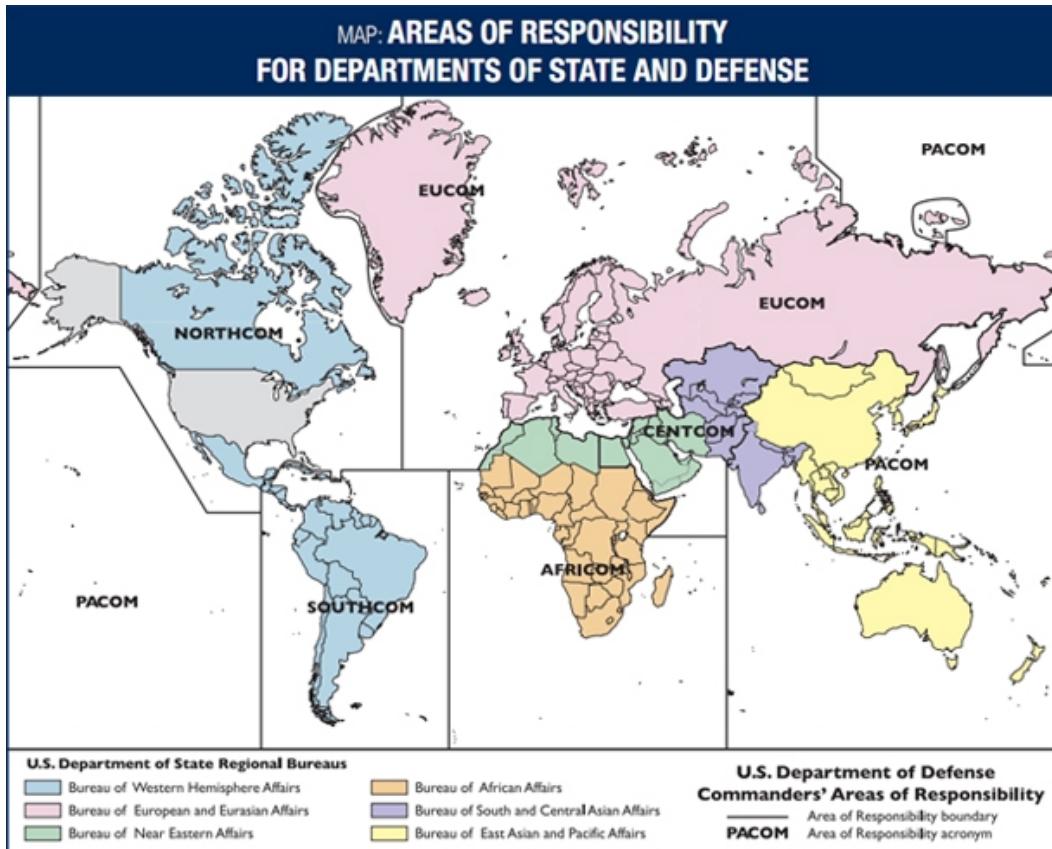


FIGURE 1, Map outlining the geographically separated areas by both the Department of State and Department of Defense from the U.S. Global Leadership Coalition website by authors John Glenn and Jane Kaminski.

For ease of reference, the regional level referenced here corresponds with the geographical combatant command boundaries. The Department of State and Department of Defense have established regional structures to allow for the effective management and resourcing of diplomatic and military efforts. Each regional headquarters coordinates efforts within its respective region while attempting to shape policy and guidance at the administration level to affect relations and capabilities of the U.S. within the region. In the Western Hemisphere, the Department of Defense has two regional areas, Northern

Command (USNORTHCOM) and Southern Command (USSOUTHCOM). The Department of State has one regional bureau, ostensibly making interagency coordination more effective. USNORTHCOM focuses primarily on homeland defense while USSOUTHCOM's area consists of South America, Central America, and the Caribbean. Consisting of thirty-five countries, nearly four hundred and fifty million people and spread over ten million square miles, USSOUTHCOM's area of responsibility has a long history of governmental challenges at the local and regional level. The area is well known for large, ungoverned spaces, porous borders, illegal immigration, criminal activity, and corruption. At the same time many countries in the region are making conscious efforts to better facilitate trade within, amongst, and through each other's countries.¹¹

Regional interagency task forces were established in the 1989 National Defense Authorization Act that also officially designated the Department of Defense the lead agency for the detection and monitoring program targeted against the aerial and maritime traffic attempting to bring drugs into the United States. Originally designed as a three-pronged approach with Task Forces broken down by regions, East, South, and North, the primary focus of these organizations was coordinating the interdiction efforts of illegal drugs destined for the U.S.¹² Evolving over time, there are now only two Joint Interagency Task Forces focusing on the Western Hemisphere trafficking issues, one

¹¹ Global Security. *Global Security*, December 11, 2011, <http://www.globalsecurity.org/military/agency/dod/jitf.htm> (accessed February 19, 2017).

¹² U.S. Senate, 100th Congress, *1988 National Defense Authorization Act* (Washington D.C.: GPO, 1988).

aligned with USNORTHCOM and one aligned with USSOUTHCOM.¹³ These task forces possess robust support with over one hundred interagency liaison officers. Additionally, fifteen countries have provided liaison officers to USSOUTHCOM's Task Force to work communication, coordination, and support issues.¹⁴

Beyond the interagency task forces, both USSOUTHCOM and USNORTHCOM have access to the integration efforts of the Defense Attachés provided for each of the embassies within their AOR. Locally focused with an appreciation of regional concerns, each attaché works within the embassy yet is a conduit for information, intelligence, and interagency coordination to the larger Department of Defense support infrastructure. Therefore, resources and efforts from the Geographic Combatant Command integrated at the interagency by the Task Force and informed at the local level by the embassy team through the attachés is available.¹⁵

USSOUTHCOM has actively worked to open lines of communication with public and private organizations through the development of relationships to leverage private and public organizations operating outside of normal military capabilities. These relationships, funneled primarily through the United States Agency for International Development (USAID) provide inroads to support local law enforcement while informing regional actions. Supported primarily through military-to-military programs, there

¹³United States Southern Command J5 Plans, "USSOUTHCOM Operational Design" (Norfolk, VA: 2017), 11.

¹⁴ Tidd, Admiral, Southern Command Posture Statement, 12.

¹⁵ U.S. Department of Defense, "DoD Instruction 5025.75 - Operations at U.S. Embassies." (Washington D.C.: U.S. Department of Defense, 2013), Appendix 2.

appears to be a large window of opportunity to support developmental efforts while gaining synergistic benefits within the counter trafficking efforts. Stronger local institutions, enabled by USAID efforts, stand a better chance of resisting corruption and influence by traffickers. Largely untracked and untapped, this venue offers potential for engagement and support from regional to local authorities while providing a unifying focus with task force efforts.¹⁶ Regional capabilities are the critical link between global and local authorities and can serve as an enabling function for counter trafficking efforts. Understanding the local level actions and the support activities at the regional level help shape an understanding of the global environment within which both operate.

Section 5: Global

Global activities influence regional and local actions. Globalization has created transportation hubs throughout the world and has exponentially expanded the volume of trade beyond any state's ability to inspect and block illegal shipments. Specific trade agreements are created with the sole purpose of lowering the requirement for cross border transit inspections, tariffs, and even identification of the contents of transit containers. The Schengen and Central America Four Party Agreement allow for borderless travel across a region for individuals.¹⁷ Air, land, and sea trade is routed through hubs for maximization of available cargo space. Countries like the United States and Great Britain

¹⁶ James G. Stavridis, *Partnership for the Americas - Western Hemisphere Strategy and U.S. Southern Command* (Washington D.C.: National Defense University Press, 2010), 99.

¹⁷ European Commission Migration and Home Affairs. February 17, 2017. http://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/schengen_en (accessed February 19, 2017).

are admittedly only inspecting roughly one percent of containers entering their respective countries. Targeted inspections of suspect goods yields only modest results. Transit authorities spend the bulk of their efforts clearing the docks, getting containers unloaded, reloaded, and on to their next destination.

South America, Central America and West Africa have become primary areas of concern as safe havens for smuggling of drugs, people, weapons, and other illicit commodities that exacerbate instability and insecurity. Drug cartels, an acknowledged major security threat in the Western Hemisphere, are now expanding their activities beyond traditional areas of operation. Multi-ton shipments of Colombian cocaine now flow through West Africa as a transit point for moving the product to Europe and beyond. At the same time, West African drug traffickers have recently been spotted moving South American cocaine as far away as South Asia. Illicit supply networks frequently developed during conflict or in the absence of a legitimate governmental presence and porous borders have enabled trafficking. This environment often fosters a disregard for the often-ineffective state and leads to smuggling routes that have often endured for generations. While drugs are the most prevalent commodity being trafficked, the transnational smuggling problem is not limited to drugs alone and the access to reliable and discreet shipping via legitimate commerce lanes has opened up a world of opportunities for traffickers.

Figure 2 depicts the organizational ties across the global network. Illicit trafficking, regardless of the commodity, is a conspiratorial effort. The function of moving an illicit good brings together many different groups and individuals who likely do not have a full

picture of what everyone else is the chain of custody is doing, nor of how they support each other. Trade routes and illicit activity congeal and overlay upon each other. The density of goods and services traveling along these routes makes inspection, quarantine, and interdiction nearly impossible. A complex pattern of transnational supply and demand has grown larger and more complicated since the opening of borders through interstate globalization efforts designed to increase legitimate commerce. The exponential increase in transnational commerce has enabled transnational organized criminal trafficking efforts.

CRIME AND INSTABILITY - KEY TRANSNATIONAL THREATS

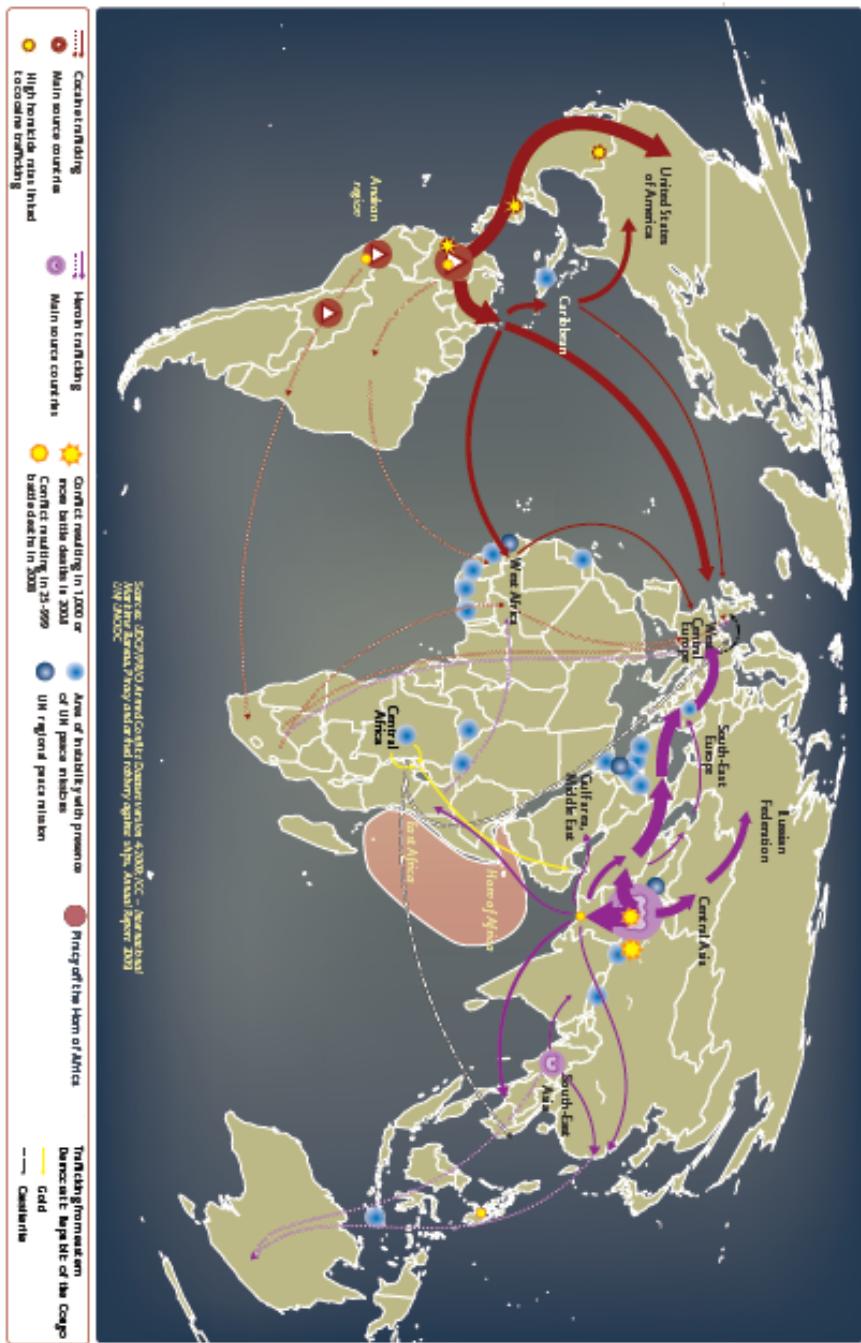


Figure 2, From page 4 of A Comprehensive Guide to Combating Illicit Trafficking by The Foreign Institute for Policy Analysis. This graphic depicts the global relationships and interactions of transnational criminal organizations. Viewed globally, the responsibility of tracking, monitoring, and ultimately defeating these criminal networks can no longer be viewed as a local or regional problem. Criminal activities transcend regions defined by either the Defense Department or Department of State.

Section 6: Fixers

The illicit trade of merchandise has similar challenges to trading licit goods. With many intricacies, the supply chain begins with creating or extracting the product, requires moving that product to international markets, and concludes with delivering payments. In reverse, the process is even more complicated and includes different fungible types of payments used to acquire the merchandise that ranges from cash to weapons or even other licit or illicit goods the seller may need. To make this supply chain work certain skilled individuals are necessary at the local, regional, and global level to serve as facilitators to connect the different participants inside or outside the criminal network infrastructure. These individuals operating at the various level of the trafficking enterprise are referred to as local – fixers, regional – super fixers, global – shadow facilitators.¹⁸ These individuals are critical to making the supply chains that often span significant geographic space and require multiple steps, in multiple countries functioning properly. One person or group rarely has the skills, contacts, or resources to operate throughout the entire supply chain. Therefore, much like any transregional super store franchise, criminals leverage local, regional, and global experts to navigate the complex supply chain. These individuals are often motivated by financial benefit rather than criminal intent, and can navigate specific links in that chain providing touch points linking local, regional, and global transportation capabilities. The supply chain is

¹⁸ Miklaucic and Brewer, *Convergence*, 78.

segregated and individuals who are necessary for one link in the chain often have no knowledge of nor capability of affecting successive links.¹⁹

The Fixer Chain

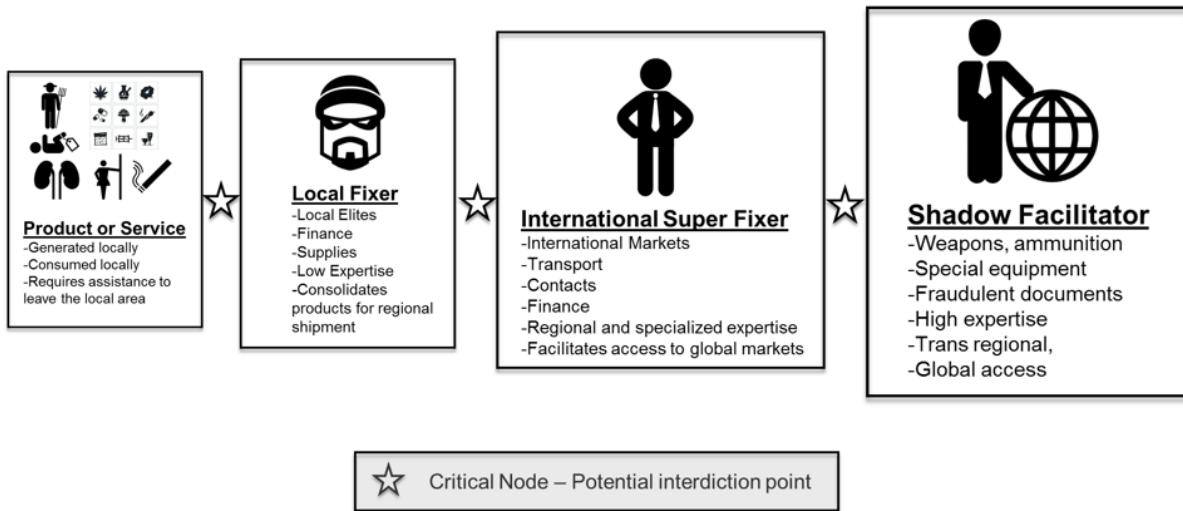


Figure 3, This image depicts the critical nodes within the illicit trafficking chain from product through local fixer to international super fixer and eventually to the shadow facilitator who synchronizes and manipulates global markets. This model is derived from page 4 of Mr. Douglas Farah's essay on Shadow Fixers contained in *Convergence*.

Within the local area, most commonly operating in consumer areas with low central government presence, growers, manufactures, or extractors of illicit commodities first rely on local fixers. These individuals are often influential within the local area by virtue of tribal, ethnic, or developmental authority. Local fixers provide the producers of the merchandise access to the criminal network and connections to the illicit commodities

¹⁹ Ibid, 79.

market and financial networks necessary to move and sell the goods out of the local area.²⁰

Regionally, super fixers focus on influencing the transportation hubs. They operate as intermediaries linking fixers, buyers, commodity brokers, and financiers across multiple countries, for significant financial gain. These individuals leverage familial connections, previous business enterprises, and personal charm interacting with other elites across the region and with suppliers from outside the region. In many cases, these regional actors are known and trackable. Super fixers specialize in being able to provide commodities, goods, or merchandise from the international market and are valuable for their ability to break through trade embargos and fluidly move weapons, drugs, slaves, stolen goods, counterfeit merchandise or other items based on their experience, proclivities, and risk-taking threshold. Super fixers rely on the local fixers to provide an understanding of the uniqueness of the local environment.²¹

Super fixers cannot survive without access to external markets. While super fixers know how to access local power brokers and how to make contacts in certain difficult markets, they may not themselves have access to the specialized markets of small arms, combat vehicles, weapons systems, and the necessary paperwork or banking facilities to make big deals happen. Therefore, they willingly become part of a complex system of

²⁰ Richard Snyder and Ravi Bhavnani, "Diamonds, Blood and Taxes: A Revenue-Centered Framework for Explaining Political Order," *The Journal of Conflict Resolution* 49, no. 4, (Washington, D.C.: National Defense University, August 2005), 570.

²¹ Miklaucic and Brewer, *Convergence*, 80.

relationships reaching forward (to the shadow facilitator and international markets) and backwards (to the local fixer). ²² Legal traffic splits off from illicit traffic when it reaches the fixer. Legal traffic can continue, but illicit traffic requires intervention to be rerouted through the illicit supply chain.

Section 7: Supply

Supply chain management is necessary to move any commodity. Illicit and licit trade moves along the same trade routes, border crossings, and transit points. The goods pass through the same physical space, the same border crossings, and require the same specialized groups of fixers at certain points in transit. A ton of cocaine, a load of AK-47 assault rifles, or 100 Chinese people being smuggled to the United States will move through the same pipeline, and through the same chokepoints when moving from Latin America across the southern border of the United States. In drug trafficking, commodities flow from Central and South America to international markets in Europe, Asia, and the United States. Enabled by the legitimate supply chain, drugs flow through the same routes and containers as trafficked humans, stolen art, precursor materials, weapons,

²² Michelle Hughes and Michael Miklaucic, eds., *Impunity: Countering Illicity Power in War and Transition* (Washington D.C.: National Defense University Press, 2016), 101.

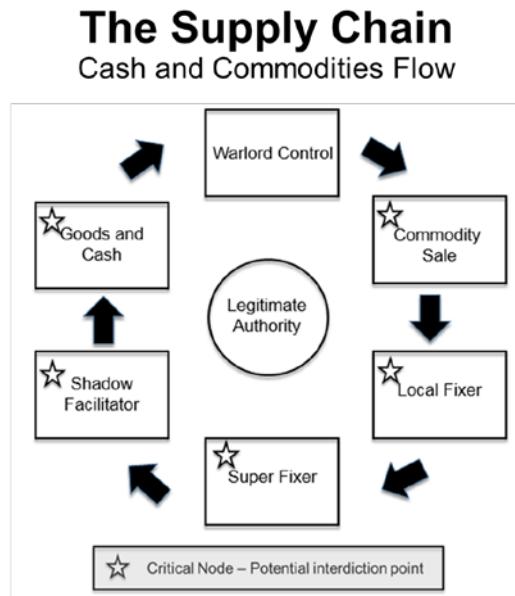


Figure 3, The supply chain of cash and commodities flow. This diagram depicts the legitimate authority in the center with the movement of illicit goods, services, and cash flowing in and around control measures. Enabled by corruption, gaps in jurisdiction, or incompetence, legitimate authorities are outmaneuvered by the illicit supply chain. However, opportunities to intervene exist and the nodes afford authorities openings to intercept and defeat the supply chain.

ammunition, and even aircraft parts. The return flow brings bulk cash, weapons, precursor chemicals, aircraft and multiple other products necessary to keep the business functioning.²³

Overlaid on the fixer chain, the supply network is straightforward in concept. The underlying principle is that most illicit commodities are not produced where they are consumed. Therefore, commodities have to be transported from where they are manufactured, stolen, counterfeited, grown, or processed to where there is a consumer

²³ Miklaucic and Brewer, *Convergence*, 79.

demand. Likewise, the money generated from the sale of illicit goods is not used where it is collected and has to travel backwards through the chain of supply, each link taking a portion of the revenue, until the last bit of earnings is delivered to the originator. The chain of events is no different at the consumer end than at the production end. The warlord generates the product, but in order to access markets outside of his control he must access the resources of the local fixer. The local fixer consolidates through multiple producers until he has enough to justify accessing external markets. To do that, local fixers tap in to the super fixer networks. Once the commodity achieves critical mass for shipping, either in value or size, the super fixer needs access to the shadow facilitator to access the global markets. Local areas are controlled by an authoritative body, depicted in figure 3 by the warlord. Warlord controlled areas are responsible for the management of supply and demand and serve as the interface between both producers and consumers. The ingenuity, flexibility, innovation, and skill of the fixers who run the illicit supply chain to circumvent countermeasures makes them challenging adversaries for interruption by legitimate authority.²⁴

As an example of a dynamic and flexible supply chain, the Columbian cocaine cartels in the 1990s, due in part to U.S. efforts to curb Columbian cocaine movement into the U.S., outsourced the transportation of their product to Mexican distributors. Despite increased distribution costs, this plan worked exceptionally well. The attention on Columbian cartels dropped as the focus was now on the Mexican distribution system and

²⁴ Ibid, 64.

the Columbians could focus efforts on efficiency in production. Legitimate commodity supply chain systems work in exactly the same manner as illicit goods and services. The complex supply chain usually contains people, organizations, processes, and technology. A commonly referenced supply chain model, Wal-Mart is a worldwide supply chain that manages products from manufacture to consumer. The legitimate model focuses on keeping product prices low by constant and effective supply chain management, minimizing the number of necessary nodes. The Colombian cocaine trade, similarly focused on increasing profit and minimizing unnecessary exposure, operates exactly the same as Wal-Mart and is constantly evolving in response to government and law enforcement activities.²⁵

Section 8: Networks

The problem of transnational illicit networks is seemingly timeless and the routes as ancient as the trade routes that many such networks still employ today. The United States and its partners recognize the importance of net-centric partnerships to confront converging threats and the lethal nexus of organized crime, corruption, and terrorism along global illicit pathways and financial hubs. Networks are the underlying and unifying principle that the previous two sections require. For fixers and the supply chain to function, a network has to be available to leverage for communication and coordination. The explosive growth of technologically-enabled networks let

²⁵ Ibid, 65.

organizations and individuals circumvent or minimize the military, diplomatic, or legal commercial control of borders by formally recognized states and organizations. The availability of secure means of communication and the proliferation of the internet and cellular technology have far exceeded the ability to monitor and respond. Networks are technologically enabled, but do not require technology to be effective. An effective understanding of information sharing, cultural preferences, and communication infrastructures is required to address networks at the local, regional, and global level. Networks then, by definition, include people, organizations, technology, and most importantly, information.

However, significant classification and compartmentalization challenges exist with building and managing a flat network centric counter trafficking infrastructure. Intelligence, enforcement, and legal infrastructures are by nature segregated and any unmanaged interaction between them can corrupt each other's actions. Barriers to information exploitation and sharing hinder the flat organizational structure inherently beneficial in networked organizations.²⁶ This challenge can be overcome, though. Anonymity is not only the tool of the criminal, but can be a powerful tool of the righteous. Finding a way for local, regional, and global actors to interact legitimately, as well as anonymously, is not only possible, but necessary. Finding ways to implement information sharing linking local law enforcement with non-governmental organizations, hospitals, law enforcement agencies, international organizations, and intelligence

²⁶ Ibid, 215.

gathering agencies is critical to utilizing the network centric methodology against the same criminals that have utilized it so effectively to build the infrastructure they are reaping huge revenues from. These networks arrange in more fluid structures than old-style tiered criminal organizations. This makes these organizations more challenging to attack. Network organizers are harder to identify than leaders and every effort is made to avoid detection and targeting from legitimate organizations. Fame and recognition are just not desired attributes for illicit traffickers. Compounding this phenomenon, the loose links among network elements can impede efforts to identify the full range of activities in which they are involved.²⁷

To combat the threat posed by illicit trafficking utilizing networks, obviously more intelligence is needed on cultures, motivations, incentives, operations, and structures. A better understanding at all three levels (local, regional, global) can identify the nexus at each of the areas for within globalization, the level of associations within the world allows individuals and groups to collaborate regardless of local or regional boundaries, thereby dynamically creating networks. No longer restricted by physical, geographical, or political borders, networks increasingly operate outside of traditional government controls. In many instances, these networks evolve organically, challenging legitimate local and regional government authority.

²⁷ Ibid, 217.

Chapter 3: Operational Approach

Section 1: Vulnerabilities

Illicit trafficking, or at least the goods transported through the act of trafficking, are fairly well accepted globally as illegal, immoral, or unacceptably destructive. The aforementioned astronomical value of illicit trafficking demands attention at all levels and presents an existential threat to the enduring values presented in the 2015 NSS. Aggregated to incorporate all aspects of illicit trafficking, the damage being done today and the potential for illicit markets to supplant legitimate markets creates a legitimate and whole of governmental approach requirement. With the illicit infrastructure as prolific as it is, there are many vulnerabilities. As with any transactional business, goods, money, or services must be exchanged for all parties involved to benefit and thereby willingly accept the risk.¹ Therefore, the normal rules of any trade become the basis to start affecting the system. The three primary necessary functions of illicit trade are fixers, supply chain management, and a management network. Each of these functions can be influenced by a coordinated effort that focuses at all levels, local, regional, and global, simultaneously. While challenging, simultaneous, collaborative, and synchronized actions stand to make the most significant and lasting impact. The problem with identifying an operational approach, though, through the sources researched so far is that all are parochial, focusing primarily on a particular type of trafficking. Trafficking in

¹ Jennifer L. Hesterman, “Transnational Crime and the Criminal-Terrorist Nexus” Walker Paper No. 1, (Maxwell Air Force Base: Air University Press, 2005), 7.

persons has a different mechanism for defeat than drug trafficking. The important thing is to reduce and try to ignore the type of trafficking in favor of attacking the common mechanisms of trafficking. Those items that are universal to all goods trafficked are money, supply, demand. An oversimplification, no doubt, however, a careful analysis may point out common vectors to hinder, identify, and defeat trafficking efforts.

Now that the local, regional, and global levels are explained and the three focus areas for concertation of efforts are identified, supply, fixers, networks, the desired end state, problem statement, operational design and lines of effort can be established. This systematic overview allows an operational design to be developed to attack the system simultaneously with complimentary actions across the spectrum of operations.

Section 2: The End State

Developing the problem statement requires a firm grasp of the desired end state. Illicit trafficking and the commerce of illegal goods and services has been a challenge to authorities for all time. However, the current state is unacceptable. The end states proposed in the U.S. Strategy to Combat Transnational Organized Crime (SCTOC) can be updated to reflect primarily USSOUTHCOM's responsibility within the overall grand strategy proposed. The end state accepts that illicit trafficking cannot easily be completely done away with without significant expenditure of resources. The cost to eradicate trafficking will likely exceed the value of having it gone. However, there is a point at which legitimate traffic, lack of corruption, and the unimpeded flow of goods and

services generates more benefit than the costs to tamp down illicit trafficking. The costs have been articulated above; the costs to combat trafficking have likewise been established by the funding and designation of geographic commands to take responsibility for negatively impacting trafficking. The below end state incorporates guidance from the National Security Strategy and Defense Department Strategy to Combat Narcotics and Threat Networks, yet is scoped to focus primarily on the USSOUTHCOM area of responsibility and area of influence:

The size, scope, and influence of trafficking networks in the Western Hemisphere – particularly in South America, Central America, and the Caribbean are mitigated from a national security threat to a manageable public safety problem within the United States and in strategic regions around the world.

Section 3: The Problem Statement

Once the end state has been articulated and the situational environment is understood a problem statement that articulates the challenges in achieving the desired future state is crafted:

Transnational illicit trafficking in the Western Hemisphere consists of an amorphous, adaptable, and networked threat to United States' national security. The exponential increase in commerce, both legitimate and illegitimate, combined with globalization, technology and deregulation has overwhelmed existing law enforcement structures. Costs estimates associated with illicit trafficking, but could be as much as \$1.5 trillion dollars annually. The fiscal, social, and legal impacts are likely to influence security planning indefinitely. These criminal networks are fluid, operating simultaneously across three levels, local, regional, and global, while exploiting seams in the security

and legal framework. Additionally, trafficking empowers terrorist organization by providing clandestine transportation of resources, as well as a stream of decentralized revenue increasingly difficult to track and counter. Terrorists and insurgents increasingly are turning to criminal networks to generate funding and acquire logistical support. Trafficking also threatens the interconnected trading, transportation, and transactional systems that move people and commerce throughout the global economy and across U.S. borders. These threats affect DoD priorities and war fighting strategies, and cannot be addressed solely with military forces. Military forces, acting in accordance with a whole of government approach, combat the impacts of illicit trafficking.

Based on the above, an understanding of the current situation is available. With the current state appreciated, the desired end state articulated and the problem statement drafted, all that remains is to develop an operational approach.

Section 4: Resources

The operational design orients towards the intermediate objectives outlined in chapter 1, section 1. Listed below again, these objectives synchronize efforts across a broad spectrum of activities, agencies, and legal frameworks:

1. Break the economic power of TOC networks and protect strategic markets and the U.S. financial system from TOC penetration and abuse.
2. Defeat TOC networks that pose the greatest threat to national security by targeting their infrastructures, depriving them of their enabling means, and preventing the criminal facilitation of terrorist activities.

3. Help partner countries strengthen governance and transparency, break the corruptive power of transnational criminal networks, and sever state-crime alliances.

4. Protect Americans and our partners from the harm, violence, and exploitation of transnational criminal networks.

5. Build international consensus, multilateral cooperation, and public-private partnerships to defeat transnational organized crime.²

Prior to the operational approach, an appreciation of the resources required for the operational approach is presented here.

Diplomatic – Primarily the responsibility of the Department of State, regional bureau, and embassy teams. However, USSOUTHCOM has a supporting role in shoring up and enabling development and diplomatic efforts.

Information – This is a shared responsibility between all interagency elements and a synchronized information operation can provide synergistic results. There are numerous examples of how the United States could use the information domain to apply its influence to global events. It could easily influence elections, support pro-American efforts, effect business transactions, and create or reduce tension between nations.

Intelligence – The act of collecting, processing, and disseminating information of political, military, social, or economic benefit. Intelligence is the purview of many agencies within the whole of government. Synchronization is difficult due to the reticence to release intelligence to untrusted agents. Intelligence works at all levels of the model. Tactical, as well as global intelligence is relevant and influential to operations.

Law Enforcement – Includes local police, judges, lawyers, national and international courts and policing entities. Ranges from Interpol to a street corner police officer.

Commerce – The transfer of goods and services. This is managed and legitimized throughout the continuum with local governments, regional trade agreements between states and globally through intergovernmental regulatory bodies.

Legal – Includes the local, state, regional, and international court systems and the intergovernmental organizations that support and legitimize them.

² U.S. President, *SCTOC*, 4.

Section 5: The Approach

The operational approach is based on the three levels of trafficking: local, regional, and global and has three concurrent and supportive lines of effort (LOE): Supply, Fixer, and Network. Each LOEs is aligned with intermediate policy objectives which together lead efforts towards achieving the desired end state. Actions are broken into three phases that transition from left to right based on a continued and increasingly improving operational environment in coordination with the maturation of the environment and the continued pressure on each LOE to move present conditions towards desired end states. Along the continuum, this operational approach supports opportunities to apply resources along the LOEs of Supply, Fixers, and Networks across three trafficking levels of local, regional, and global. The result, each LOE is impactful and contributes to moving the present condition towards aa better future condition.

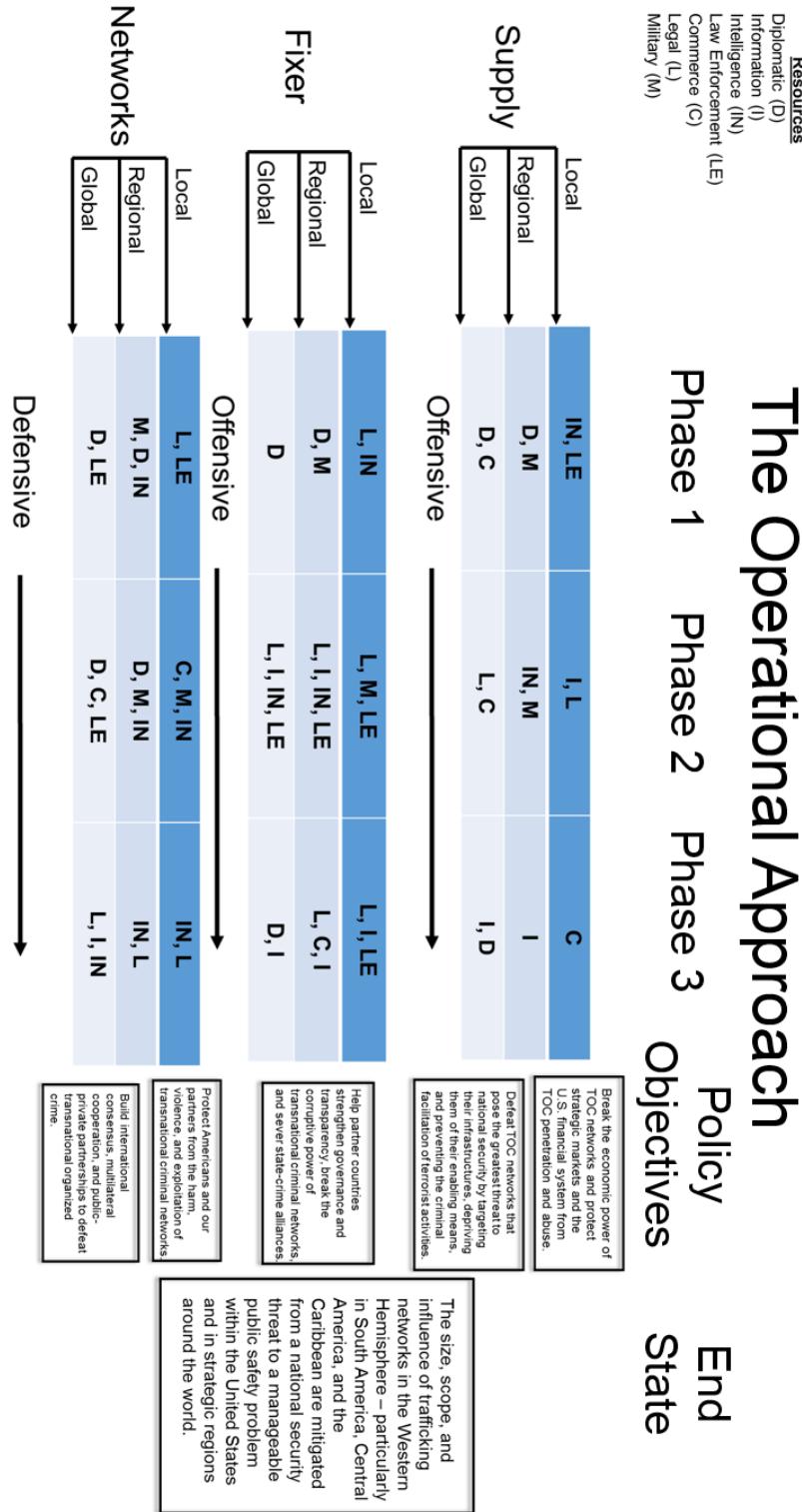


Figure 4, The Operational Approach that links current state with the desired end state through the achievement of policy objectives.

For example, the supply LOE requires efforts in phase one to focus primarily on the local condition of informational and law enforcement activities. The intermediate objective is to identify production, processing, and distribution capabilities, as well as an understanding by local law enforcement of the environment as necessary. Activities at the regional supply condition level transition to the resources of diplomatic and military efforts allowing for continued pursuit of the legitimacy objective in interdiction efforts that are ongoing at USSOUTHCOM and USNORTHCOM. At the global supply level, diplomatic efforts continue, but engage intergovernmental organizations like the United Nations and the World Trade Organization with the objective to identify and further delegitimize trafficking efforts. Phase two requires increased intelligence activities and improved legal frameworks. Once identified and apprehended at the local level, the necessity for legitimate and functional legal systems cannot be overstated. Regionally, information activities are necessary as the increased visibility at the local level of trafficking arrests will need to be explained in a way that supports efforts. The military interdiction efforts continue in this phase, but are added with partnership military-to-military training, exercises, and collaborative engagements. Globally, increased efforts to provide the legal international framework for both prosecution and commerce management are critical to success in phase two. Phase three focuses at the local level on legitimate commerce support and enhancement. Through the transition to legitimate commerce corruption and violence at the local level will be interrupted. At the regional level, efforts to continue to build and process intelligence will be supportive of local and global efforts to shore up legitimate commerce. At the global level, intelligence on the

entire transnational organized criminal network is necessary to continue to build on regional successes. Diplomatic efforts continue to allow for the supply LOE to achieve policy objectives of breaking the economic power and defeating TOC networks and protecting U.S. strategic access to legitimate markets.

The second LOE focuses on the fixers. At the local level legal and information activities are supportive of each other to delegitimize actors and explain the possibility of a better future for local businesses. At the regional level, much like in the supply LOE, diplomatic and military efforts are primary during this phase. Military actions to identify, target, and capture transregional threats to national security are necessary. Diplomatic efforts to enable military action are continuous throughout this phase. Transitioning to phase two legal and law enforcement are critical elements at all levels. At the local level, military forces may be necessary as local fixers likely will be above apprehension by local law enforcement. Many countries in the USSOUTHCOM area have gendarme and the engagement of that capability transregionally will be supportive. At the regional and global level information operations and intelligence are critical components of success. Leveraging intelligence to target information operations where limited resources can be most beneficial is critical. Phase three is enabling and reinforcing supporting legal, law enforcement, and information operations activities at the local level. At the regional level commerce, information operations, and law enforcement are keys to success. Commerce activities include developing and enhancing legitimate and transparent regional transportation routes. At the global level diplomatic and informational activities engaging

transregional organizations and explaining to the world efforts and effects to the region and globe are necessary.

Networks are the third LOE and the most difficult. Much focus and energy has been spent on defeating threat networks. However, if illegal trafficking is largely networked it will be nearly impossible to halt if solely approached at the network level. Networks are global, technologically enabled, and require a unified world effort of countries to pool resources. This global effort cannot be coordinated or led by any one country and therefore is unfeasible. This defines the nature of the problem and that a networked approach is incorrect. Looking beyond the networks to LOEs one and two are critical to success in defeating TOC illicit trafficking. Attacking the network is a component within this operational approach; but, it is not the sole approach. For many years, the U.S. has had a singular approach focusing solely on the networks. As a LOE, networks are but a component of a holistic approach. During phase 1 and at the local level law enforcement and the legal system are focus areas. At the regional level military, diplomatic, and informational activities are required to enable local efforts. At the global level diplomatic efforts work to legitimize law enforcement efforts. Violations of sovereignty by transnational organized criminal networks currently are extremely difficult to even pursue, let alone prosecute. Global law enforcement agencies need better tools to access and pursue national threats. These tools go beyond policy and need real diplomatic authority to operate globally in pursue criminals. Phase 2 emphasizes local and regional efforts on military and intelligence activities to dissect and attack the networks. At the global level diplomatic and commerce initiatives strive to instill measures within trade

agreements that discourage trafficking and criminal networks. Phase 3 is intelligence based at all three levels focusing on securing and reinforcing successes in phases 1 and 2. Legal efforts to shore up frameworks to prosecute, extradite, and punish criminals further allows the network LOE to conclude with securing policy objectives of protecting Americans and partners from threat networks and building consensus and cooperation through partnerships at all three levels of this operational approach.

Conclusion

Illicit trafficking is a threat to U.S. national security and global stability. Transnational organized crime signifies a substantial, complex, and asymmetric threat that currently is not prioritized or resourced within the national security framework. Conservative estimates place the cost of illicit trafficking at over 10 percent of global Gross Domestic Product (GDP). More disturbing is that the percentage is growing slowly, almost imperceptibly. The current strategy for combating illicit trafficking is located across numerous policies, some supportive, some redundant, and others contradictory. Regardless, enough guidance exists at the strategic level of the U.S. to use operational design to build an operational approach linking the current situation with the desired end state articulated in policy documents. The threat of illicit trafficking transcends terrorism, crime, and military only solutions and must be addressed holistically across the whole of government. The presented operational approach here attempts to present a way forward that addresses more than just illegal drug trafficking and more than just threat networks. The phenomena of illicit trafficking is analyzed and a way to approach marginalizing it is presented.

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Vita

Jeff Hammond enlisted in the Marine Corps in 1994 and commissioned via Officer Candidate Course (OCC) after graduation from University of Michigan-Flint in 1996. LtCol Hammond augmented to the regular Marine Corps in May of 2000 and was promoted to his current rank in August of 2013.

After Officer Candidate Selection and The Basic School, he became a Communications Officer (0602). His subsequent fleet assignments have included tours in 2d Marine Air Wing, 2d Marine Division, III Marine Expeditionary Force, 3d Marine Division, and 3d Marine Expeditionary Brigade. LtCol Hammond's supporting establishment tour was with Marine Corps Training Command. He has served as a staff officer at the Battalion, Squadron, Regimental, Group, Expeditionary Brigade, Division, and Expeditionary Force levels. His command tours include platoon, company, and battalion levels.

He is a resident graduate of Marine Amphibious Warfare School (2002), U.S. Army Command and General Staff College (2012), and the U.S. Army's School of Advanced Military Studies (2013). His operational deployments include Operations Enduring Freedom and Unified Assistance as well as numerous theater security cooperation and humanitarian assistance deployments.

LtCol Hammond's civilian education includes a Bachelor's Degree in accounting from the University of Michigan-Flint, a Master of Science in Computer Information Systems from Boston University, and a Master of Military Arts and Sciences from the U.S. Army Command and General Staff College's School of Advanced Military Studies.